

# HOUSE BILL REPORT

## HB 1140

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### As Passed House:

March 3, 2005

**Title:** An act relating to fees for performing independent reviews of health care disputes.

**Brief Description:** Developing a schedule of fees for performing independent reviews of health care disputes.

**Sponsors:** By Representatives Bailey, Cody and Wallace.

### Brief History:

#### Committee Activity:

Health Care: 1/28/05, 2/11/05 [DP].

#### Floor Activity:

Passed House: 3/3/05, 97-0.

### Brief Summary of Bill

- Requires that the Department of Health establish a schedule of maximum fees that may be charged by certified independent review organizations.

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## HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass. Signed by 14 members: Representatives Cody, Chair; Morrell, Vice Chair; Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Appleton, Clibborn, Condotta, Green, Hinkle, Lantz, Moeller, Schual-Berke and Skinner.

**Staff:** Chris Blake (786-7392).

### Background:

Health carriers that offer health plans must have a comprehensive grievance process for addressing complaints from plan enrollees about customer service or the quality or availability of a health service. Where the health carrier's grievance process has issued an unfavorable decision to an enrollee or it has exceeded mandated timelines without good cause, the enrollee may seek review by a certified independent review organization. This review is only available for those complaints pertaining to payment for health care services or the denial, modification, reduction, or termination of coverage for health care services. The Office of the Insurance Commissioner assigns an independent review organization to a complaint on a rotational basis.

The Department of Health (Department) is responsible for adopting rules to certify independent review organizations. These rules relate to ensuring: the confidentiality of medical records; the qualifications of medical reviewers; the absence of conflicts of interest; and the fairness and timeliness of the proceedings.

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**Summary of Bill:**

By January 1, 2006, the Department must develop a fee schedule that establishes reasonable maximum fees that may be charged to health carriers by an independent review organization when conducting reviews. The Department is required to adopt rules requiring that independent review organizations assess fees to health carriers consistent with the maximum fee schedule.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The lack of regulation of the fees that independent review organizations may charge has created a situation where fees vary widely for comparable services, including some that charge beyond what is fair and reasonable. This bill will correct that situation and result in lower health insurance premiums.

**Testimony Against:** None.

**Persons Testifying:** (In support) Sydney Zvara, Association of Washington Healthcare Plans.

**Persons Signed In To Testify But Not Testifying:** None.